

Message Text

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ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 AID-05 CEA-01 CIAE-00
COME-00 EB-08 FRB-01 INR-10 IO-14 NEA-10 NSAE-00
USIA-15 OPIC-06 SP-02 TRSE-00 LAB-04 SIL-01
AGRE-00 OMB-01 SS-15 DOE-11 SOE-02 NSC-05 STR-07
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R 280123Z FEB 78 ZDK
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 5630
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY PARIS
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BRUSSELS FOR USEC

PARIS FOR USOECD

E.O. 11652: N/A
TAGS: ETRD, JA, EGEN
SUBJECT: MINISTER USHIBA'S FOREIGN CORRESPONDENTS CLUB SPEECH

1. SUMMARY. IN FEBRUARY 27 SPEECH, MINISTER USHIBA REAFFIRMED THAT RECENT USG-GOJ TALKS WERE SUCCESSFUL, RECOGNIZED IMPORTANCE US ATTACHED TO FORTHCOMING JAPANESE BUYING MISSION BUT THOUGHT ITS LONG-RANGE EFFECTS WOULD BE GREATER THAN SHORT-RANGE BENEFITS, REJECTED POSSIBILITY OF GRANTING ANY SPECIAL CONCESSIONS TO EC IN CURRENT ROUND OF TALKS, AND SAID PURCHASE OF EUROPEAN AIRCRAFT WAS STRICTLY MATTER FOR PRIVATE SECTOR TO WORK OUT ON COMMERCIAL BASIS. END SUMMARY.

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2. IN TALK TO FOREIGN CORRESPONDENTS CLUB FEBRUARY 27, MINISTER USHIBA REAFFIRMED THAT RECENT US-JAPAN ECONOMIC CONSULTATIONS HAD BEEN GLOBAL IN NATURE AND WERE SUCCESSFULLY CONCLUDED DURING HIS TALKS WITH AMBASSADOR STRAUSS IN JANUARY. HE SAID MAIN POINT OF TALKS WAS NOT BILATERAL TRADE IMBALANCE BUT RATHER HOW TWO LARGEST FREE WORLD ECONOMIES COULD

CONTAIN PROTECTIONIST TRENDS AND ATTAIN NON-INFLATIONARY HIGH GROWTH RATE. USHIBA REAFFIRMED THAT JAPAN HAD TO REDUCE ITS DISPROPORTIONATELY HIGH CURRENT ACCOUNTS SURPLUS AND SAID THAT US AT SAME TIME HAD AGREED TO STABILIZE VALUE OF DOLLAR AND ENACT ENERGY PROGRAM WHICH WOULD ELIMINATE EXCESSIVE OIL IMPORTS. WHILE EXPRESSING CONFIDENCE IN GOJ'S ABILITY TO ACHIEVE SEVEN PERCENT GROWTH RATE IN FY78, HE SAID REDUCTION OF CURRENT ACCOUNT SUPPLUS TO SIX BILLION DOLLARS WAS MORE IMPORTANT THAN ANY SPECIFIC GROWTH RATE FIGURE.

3. IN RESPONSE TO QUESTION ABOUT JAPANESE BUSINESSMEN'S BUYING MISSION DEPARTING FOR US THIS WEEK, USHIBA DECLINED TO SAY WHETHER AMBASSADOR STRAUSS HAD SUGGESTED TO JAPANESE SPECIAL DOLLAR AMOUNT AS DESIRABLE GOAL. USHIBA SAID SOMEWHAT FACETIOUSLY THAT, IN ORDER TO MAINTAIN INTEREST OF MEDIA, MISSION NEEDED TO SURROUND ITSELF WITH AURA OF SUSPENSE UNTIL FINAL PRESS CONFERENCE. USHIBA NOTED THAT US EXPECTED MISSION TO "CONDUCT REAL BUSINESS" BUT THAT THIS WOULD BE DIFFICULT BECAUSE MISSION CONTAINED MANY BUSINESSMEN WHO NORMALLY WERE COMPETING WITH EACH OTHER AND WERE THUS UNWILLING TO PLACE ORDERS PUBLICLY. USHIBA ADDED THAT MORE SIGNIFICANCE SHOULD BE ATTACHED TO BENEFICIAL LONG-TERM RESULTS OF MISSION SINCE PARTICIPANTS WILL BE MAKING MARKET SURVEYS, EXPLAINING TO US BUSINESSMEN HOW TO

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FACILITATE ENTRY OF THEIR EXPORTS INTO JAPANESE MARKET AND MAKING GOOD CONTACTS IN US FOR FUTURE BUSINESS DEALS. USHIBA SAID THAT GOJ WOULD BE WILLING TO SEND SIMILAR BUYING MISSION TO EUROPE OR ANY OTHER COUNTRY WHICH REQUESTED IT AND THAT HE HAD ALREADY TAKEN SOUNDINGS IN EC CAPITALS IN THIS REGARD.

4. WITH REGARD TO ECONOMIC RELATIONS WITH EC, USHIBA SAID THAT TALKS HELD SINCE JANUARY HAD BEEN VERY IMPORTANT AND THAT GOJ LOOKED FORWARD TO DANISH FOREIGN MINISTER ANDERSEN'S VISIT THIS WEEK. HE STRESSED, AS FORMER MEMBER OF TRILATERAL COMMISSION, IMPORTANCE HE ATTACHED TO JAPAN'S RELATIONSHIP WITH WESTERN EUROPE IN CONTEXT OF TRILATERALISM BQ HE ADMITTED THAT EUROPEAN-JAPANESE LINK WAS WEAKEST SIDE OF TRIANGLE. HE REJECTED WHAT HE TERMED PREVAILING EUROPEAN ATTITUDE THAT AGREEMENT HE CONCLUDED WITH AMBASSADOR STRAUSS WAS BILATERAL DEAL DETRIMENTAL TO EUROPEAN INTERESTS. HE ADMITTED SERIOUSNESS OF JAPAN'S OVERALL TRADE IMBALANCE WITH EC BUT SAID IT SHOULD NOT BE OVER-DRAMATIZED SINCE EC HAD FAVORABLE INVISIBLE BALANCE AND EC IMPORTS FROM JAPAN CONSTITUED ONLY 2.2 PCT OF ITS TOTAL IMPORTS. USHIBA RULED OUT GRANTING ANY

SPECIAL PRIVILEGES TO EC IN TRADE TALKS BUT SAID GOJ WILLING
TO CONSIDER CONCESSIONS "OF GLOBAL NATURE." HE URGED
EUROEANS TO SHOW GREATER ENTERPRENEURSHIP IN SELLING
TO JAPAN. IN RESPONSE TO QUESTION FROM EUROPEAN JOURNALIST
ABOUT JAPANESE WILLINGNESS TO PURCHASE EUROPEAN AIRCRAFT,
HE SAID THAT PURCHASES OF SPECIFIC PRODUCTS SUCH AS
AIRCRAFT REQUIRED CONCLUSION OF DEAL BETWEEN PRIVATE
FIRMS ON BOTH SIDES. IF SUCH A DEAL WERE CONSUMMATED,
GOJ WOULD BE FAVORABLY DISPOSED TOWARDS IT.
MANSFIELD

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